



LOUISIANA INSURANCE  
RATING COMMISSION

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STATE OF LOUISIANA

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**Bulletin LIRC 96-04**

**DATE: APRIL 29, 1996**

**TO: ALL PROPERTY AND CASUALTY INSURANCE COMPANIES  
MAKING RATE AND RULE FILINGS IN LOUISIANA**

**RE: Motor Vehicle Liability Minimum Limits**

The purpose of this bulletin is to inform you that during the First Extraordinary Session, 1996, of the Louisiana Legislature, changes to certain compulsory financial responsibility limits were enacted.

House Bill 78, which revised L.R.S. 32:900(M)(1), (2), and (4) will be effective by August 15, 1996. This act revised the minimum limits for vehicles with a gross weight between 20,000 and 50,000 pounds, to 25,000/50,000/25,000, and vehicles with a gross weight over 50,000 pounds to a combined minimum single limit of 325,000, or the equivalent of 100,00/300,000/25,000. For reference, a copy of House Bill 78 is attached.

If an admitted commercial automobile insurer's current approved rates and rules do not include the revised compulsory financial responsibility limits, the Louisiana Insurance Rating Commission hereby directs the insurer to amend its approved rates and rules to include the required revised minimum limits. It is the insurer's responsibility to submit revised rates and rules to the Louisiana Insurance Rating Commission on or before July 3rd, the cutoff for the July 17, 1996, LIRC agenda, and be effective on or before August 15, 1996, the effective date of House Bill 78.

If you have any questions regarding this bulletin, please call Barita Morgan at (504)342-5202.

Chris Faser, III  
Deputy Commissioner/LIRC

Attachment

First Extraordinary Session, 1996

HOUSE BILL NO. 78

BY REPRESENTATIVES JETSON, DIEZ, RIDDLE, HAMMETT,  
STELLY, HEBERT, FONTENOT, WRIGHT, AND FRITH AND  
SENATOR LANDRY

AN ACT

To amend and reenact R.S. 32:900(M)(1), (2), and (4), relative to motor carriers; to decrease minimum insurance limits; to authorize self-insurance; to provide for exceptions; to extend the notification period for ineffective security; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 32:900(M)(1), (2), and (4) are hereby amended and reenacted to read as follows:

§900. "Motor Vehicle Liability Policy" defined

\* \* \*

M.(1) Except for those tow trucks carrying liability coverage under the provisions of R.S. 32:1717, for those motor vehicles owned or operated by persons engaged in the business of actual farming and used primarily, but not exclusively, in carrying farm produce from farm to market or returning therefrom carrying goods and merchandise back to the farms, individually or cooperatively, where such carrying is not primarily for hire, or for motor vehicles being used for the transportation of forest products in their natural state, every motor carrier as defined in R.S. 32:1(37) shall be covered by

a liability policy. Public liability and property damage insurance on motor carriers operating a vehicle that has a gross vehicle weight or gross combined weight rating in excess of twenty thousand pounds shall have the following liability limits:

(a) Those vehicles with a gross vehicle weight of more than twenty thousand pounds, but not more than fifty thousand pounds shall have:

(i) Twenty-five thousand dollars because of bodily injury or death of one person in any one accident, and

(ii) Subject to said limit for one person, fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and

(iii) Twenty-five thousand dollars because of damage to or destruction of property of others in any one accident.

(b) Those vehicles with a gross vehicle weight of more than fifty thousand pounds shall provide a combined minimum single coverage limit of three hundred thousand dollars or the equivalent coverage of one hundred thousand dollars for injury or death to any one person, with a required minimum of not less than three hundred thousand dollars per occurrence, and twenty-five thousand dollars property damage.

(2) If, however, the motor carrier has qualified with the United States Department of Transportation (Interstate Commerce Commission) as a self-insurer, as authorized by 49 U.S.C. 10927, or has qualified for self-insurance under the provisions of R.S. 32:1042, the carrier shall be authorized as a self-insurer in Louisiana.

\* \* \*

(4) In addition, all security providers for motor carriers, beginning June 15, 1995, shall notify the secretary, on a form required by the secretary, within forty-five calendar days from the date when any policy, bond, deposit, or other item of security is terminated, withdrawn, canceled, lapsed, or otherwise made ineffective.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided in Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_